

ASSEMBLY BILL

No. 2795

Introduced by Assembly Member Lopez

February 19, 2016

An act to amend Section 707 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 2795, as introduced, Lopez. Electricity: community choice aggregators.

Existing law requires the Public Utilities Commission to consider and adopt a code of conduct, associated rules, and enforcement procedures to govern the conduct of electrical corporations relative to the consideration, formation, and implementation of a community choice aggregation program. Existing law requires the commission to ensure that the code of conduct, associated rules, and enforcement procedures are implemented by no later than January 1, 2013.

This bill would make a nonsubstantive change to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 707 of the Public Utilities Code is
- 2 amended to read:
- 3 707. (a) Not later than March 1, 2012, the commission shall
- 4 institute a rulemaking proceeding for the purpose of considering
- 5 and adopting a code of conduct, associated rules, and enforcement
- 6 procedures, to govern the conduct of the electrical corporations

1 relative to the consideration, formation, and implementation of
2 community choice aggregation programs authorized in Section
3 366.2. The code of conduct, associated rules, and enforcement
4 procedures, shall do all of the following:

5 (1) Ensure that an electrical corporation does not market against
6 a community choice aggregation program, except through an
7 independent marketing division that is funded exclusively by the
8 electrical corporation's shareholders and that is functionally and
9 physically separate from the electrical corporation's
10 ratepayer-funded divisions.

11 (2) Limit the electrical corporation's independent marketing
12 division's use of support services from the electrical corporation's
13 ratepayer-funded divisions, and ensure that the electrical
14 corporation's independent marketing division is allocated costs of
15 any permissible support services from the electrical corporation's
16 ratepayer-funded divisions on a fully allocated embedded cost
17 basis, providing detailed public reports of such use.

18 (3) Ensure that the electrical corporation's independent
19 marketing division does not have access to competitively sensitive
20 information.

21 (4) (A) Incorporate rules that the commission finds to be
22 necessary or convenient in order to facilitate the development of
23 community choice aggregation programs, to foster fair competition,
24 and to protect against cross-subsidization paid by ratepayers.

25 (B) It is the intent of the Legislature that the rules include, in
26 whole or in part, the rules approved by the commission in Decision
27 97-12-088 and Decision 08-06-016.

28 (C) This paragraph does not limit the authority of the
29 commission to adopt rules that it determines are necessary or
30 convenient in addition to those adopted in Decision 97-12-088 and
31 Decision 08-06-016 or to modify any rule adopted in those
32 decisions.

33 (5) Provide for any other matter that the commission determines
34 to be necessary or advisable to protect a ratepayer's right to be
35 free from forced speech or to implement that portion of the federal
36 Public Utility Regulatory Policies Act of 1978 that establishes the
37 federal standard that no electric utility may recover from any person
38 other than the shareholders or other owners of the utility, any direct
39 or indirect expenditure by the electric utility for promotional or
40 political advertising (16 U.S.C. Sec. 2623(b)(5)).

1 (b) ~~The~~ *No later than January 1, 2013, the* commission shall
2 ensure that the code of conduct, associated rules, and enforcement
3 procedures ~~are implemented by no later than January 1, 2013.~~
4 *implemented.*

5 (c) This section does not limit the authority of the commission
6 to require that any marketing against a community choice
7 aggregation plan shall be conducted by an affiliate of the electrical
8 corporation, or to require that marketing against a community
9 choice aggregator not be conducted by a marketing division of the
10 electrical corporation, subject to affiliate transaction rules to be
11 developed by the commission.